

Message Text

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ACTION NEA-09

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 L-02 H-02

PRS-01 CIAE-00 INR-07 NSAE-00 MC-02 EB-07 COME-00

TRSE-00 SAM-01 SAB-01 /058 W
----- 104574

R 101005Z MAR 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 0528

INFO SECDEF WASHDC

SECARMY WASHDC

DOD WASHDC

USMTM DHAHRAN

C O N F I D E N T I A L JIDDA 1715

DOD FOR ISA

E.O.: 11652: GDS

TAGS: MASS, SA, US

SUBJ: RAYTHEON PROPOSED SALE OF IMPROVED HAWKS TO SAG

SUMMARY: RAYTHEON HAS SUBMITTED TO MINISTRY OF DEFENSE P&A
INFO ON ADDITIONAL ACQUISITIONS OF IMPROVED HAWK. TOTAL
SALES COULD RANGZ FROM \$400 MILLION TO OVER \$800 MILLION.
NO TECHNICAL DATA PRESENTED PENDING COMPLETE USG LICENSING AND
APPROVALS. SULTAN REPORTEDLY PLEASED RAYTHEON WOULD COMMENCE
PRESENTATION DESPITE CONTROVERSY IN U.S. OVER ARMS SALES TO
SAUDI ARABIA. SAG WILL FOLLOW UP SOON WITH REQUEST FOR FURTHER
INFO VIA SAG EMBASSY WASHINGTON OR AMEMBASSY JIDDA. HANDLING
OF THIS REQUEST COULD AFFECT SAUDI VIEWS ABOUT THEIR FUTURE
ARMS RELATIONSHIPS WITH U.S. REQUEST INFO ON STATUS OF RAYTHEON
LICENSING APPLICATION TO BE USED WITH SULTAN AND PRINCE TURKI
IF THEY ASK. END SUMMARY.

1. RAYTHEON MIDDLE EAST SALES MANAGER GLEN GRUBBS ON MARCH 4
INFOMRED EMBASSY HE HAD COME FROM U.S. TO SAUDI ARABIA A FEW
DAYS PREVIOUSLY TO PRESENT RAYTHEON'S PROPOSALS FOR SALE OF
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FURTHER IMPROVED HAWK MISSILES. GRUBB'S PRESENTATION WAS

BASED UPON POSSIBLE SALE OF SIX ADDITIONAL BATTERIES OF THREE UNITS EACH; WHAT WITH VARIOUS OPTIONS AND ADD-ONS, HOWEVER, GRUBBS BELIEVED FUTURE SALES MIGHT BE RAYTHEON'S LARGEST YET TO SAG, AND MIGHT EASILY EXCEED \$500 MILLION.

2. GRUBBS SAID RAYTHEON HAD APPLIED IN SEPTEMBER, 1974, FOR THE NECESSARY MUNITIONS CONTROL AUTHORIZATION AND HAD FOLLOWED UP IN DECEMBER. ACCORDING TO GRUBBS, STATE DEPARTMENT HAS APPROVED OF SALE, AS HAD DOD/ISA, BUT MATTER STILL UNDER REIVEW WITH DEPARTMENT OF THE ARMY. SINCE HE HAD UNDERSTOOD, HOWEVER, SAG WAS BECOMING INCREASINGLY INTERESTED IN MOVING AHEAD ON PRELIMINARY STAGES OF IMPROVED HAWK PURCHASE, HE HAD NOW--WITH STAGE AND DOD APPROVAL-- PRESENTED SAG WITH A PRELIMINARY PACKAGE ON THE PRICE AND AVAILABILITY OF IMPROVED HAWKS. GRUBBS STRESSED HIS PRESENTATION HAD INCLUDED NO TECHNICAL DATA--WHICH COULD NOT BE GIVEN UNTIL COMPLETE USG APPROVAL WAS FORTHCOMING.

3. GRUBBS SAID THAT PRINCE KHALID BIN SULTAN (SON OF MINISTER OF DEFENSE, AND THE LEADING FIGURE IN SAG'S HAWK PROGRAM) WAS EXTREMELY HAPPY TO SEE HIM. PRINCE KHALID SAID THAT BOTH HE AND HIS FATHER HAD WONDERED WHETHER--SINCE U.S. ARMS RELATIONSHIPS WITH SAUDI ARABIA FACED CRITICISM IN CONGRESS--RAYTHEON WOULD BE ABLE TO RESPOND TO THIS IMPORTANT SAG DEFENSE REQUIREMENT. KHALID OBSERVED THAT RAYTHEON'S PRESENTATION DID NOT GO BEYOND GENERAL STATEMENTS OF PRICES AND AVAILABILITY, AND SAID A MODA COMMITTEE WOULD QUICKLY BE SET UP TO PURSUE MATTER FURTHER WITH RAYTHEON AND USG. KHALID SAID PRINCE SULTAN WOULD BE ASKING AMBASSADOR SOWAYEL IN WASHINGTON OR AMBASSADOR AKINS TO CONVEY TO USG DESIRE OF PRINCE SULTAN AND SAUDI GOVERNMENT THAT NEGOTIATIONS OVER IMPROVED HAWK SALE PROCEED EXPEDITIOUSLY.

4. ACTION REQUESTED: A REPORT ON THE STATUS OF RAYTHEON'S IMPROVED HAWK APPLICATION.
AKINS

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